

If no charge is made to play bingo, the games are not subject to the provisions of the Bingo License and Tax Act. See, 86 Ill. Adm. Code 530.100. (This is a GIL.)

October 7, 2003

Dear Xxxxx:

This letter is in response to your letter dated February 10, 2003, in which you request information regarding bingo games. Please accept my apologies for not responding earlier to your letter. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.iltax.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

"I have been advised by the dept. of bingo license's to write you for help. I live in a senior community in Ill. where some of our groups like to play bingo. I know you need a bingo license to play games of bingo but these groups do not charge any money for these cards or games. The only ruling or definition in the bingo license and tax act states (during which bingo cards are sold). No where does it state that a license is not needed if no money is charged for the game or cards. Would appreciate it if you could pout this small statement in writing for me so I can have some statement of proof that these groups do not need a bingo license for this form of entertainment. "

Your understanding is correct. The Bingo License and Tax Act applies to circumstances in which a charge is made to play bingo. If no charge is made to play the game of bingo (usually, a charge for bingo occurs when bingo cards are sold), then no license is necessary. This policy is reflected in the Department's regulations governing bingo. Section 430.100 states that bingo means

"[t]he form of lottery authorized by the Act in which prizes are awarded on the basis of designated numbers or symbols on a card **for which consideration has been paid**, conforming to numbers or symbols selected at random"

I hope that this information is helpful. If you have any questions please feel free to contact the Department's Taxpayer Information Division at 217.782.3336, or to visit our website at www.iltax.com for additional information.

Very truly yours,

Jerilynn Troxell Gorden
Sr. Counsel, Sales & Excise Tax